AUCTION DATES

Model Breakdown
Auction Averages

	MAY 1988	APR 1988	MAR 1988
1988	$12,495	$12,483	$12,283
1987	$8,661	$8,638	$8,682
1986	$7,400	$7,190	$6,927
1985	$5,711	$5,904	$5,837
1984	$4,525	$4,438	$4,380
1983	$3,776	$3,792	$3,765
1982	$2,475	$2,398	$2,534
1981	$1,983	$1,937	$1,906
Overall Average	$5,798	$5,722	$5,589

Used Car Sales
Auction Averages

May 88	$5,798
Month ago	$5,712
Year ago	$5,871

Chrysler Motors

May 31 — Florida Auto Auction of Orlando, Ocoee, Fla.; Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Arena Auto Auction, Chicago; and Riverside Auto Auction, Riverside, Calif.

June 1 — Columbus Fair Auto Auction, Obetz, Ohio, and Southern Auto Auction, Warehouse Point, Conn.

June 2 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha, Neb.; and Salt Lake Auto Auction, Salt Lake City

June 3 — St. Louis Auto Auction, Bridgeton, Mo.

June 7 — Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Aptco Auto Auction, Taylor, Mich.; Denver Auto Auction, Aurora, Colo.; South Seattle Auto Auction, Kent, Wash.; Golden Gate Auto Auction, Fremont, Calif.; and Nashville Auto Auction, Nashville, Tenn.

June 8 — Butler Auto Auction, Gibsonia, Pa.; A.D.E. of Birmingham, Birmingham, Ala.; and Minneapolis Auto Auction, Plymouth, Minn.

June 9 — Northway Exchange, Clifton Park, N.Y.; Clanton's Auto Auction, Darlington, S.C.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Big Sky Auto Auction Inc., Billings, Mont.; and Ark-La-Tex Auto Auction, Shreveport, La.

June 10 — Manheim Auto Auction, Manheim, Pa.

Ford Motor Co.

June 1 — Atlanta Auto Auction, Red Oak, Ga.; Columbus Fair Auto Auction, Obetz, Ohio; Concord Auto Auction, Acton, Mass.; and Southern California Auto Auction, Fontana, Calif.

June 2 — Albuquerque Auto Auction, Albuquerque, N.M.; Greater Chicago Auto Auction, Chicago; and Minneapolis Auto Auction, Plymouth, Minn.

June 7 — Bay Cities Auto Auction, Hayward, Calif.

June 8 — Mississippi Auto Auction, Hattiesburg, Miss.; Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Lakeland Auto Auction, Lakeland, Fla.

June 9 — Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; and Skyline Auto Exchange, Fairfield, N.J.

June 14 — South Seattle Auto Auction, Kent, Wash.

General Motors

June 1 — Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

June 2 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; and Nashville Auto Auction, Nashville, Tenn.

June 7 — Southern Auto Auction, East Windsor, Conn.; and Dallas Auto Auction, Grand Prairie, Texas

June 8 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; Omaha Auto Auction, Omaha; and Southern California Auto Auction, Fontana, Calif.

June 9 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

'89 Colt
An all-new shape for the 1989 Colt three-door hatchback gives new style and interior room to the four Colt models. The Colt GT, featured here, has a monochromatic "dipped-look" paint treatment and is distinguished by its body-color bumpers, color-keyed door handles and grille and wide body-color side moldings accented with a red stripe. The car is imported from Mitsubishi for Dodge and Plymouth.

Former leaders rap EPA test cuts

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — EPA's cutback in real-world testing of vehicle emissions has so disturbed two former top EPA officials that they have decided to speak out to lawmakers holding the pursestrings.

Eric Stork, a former head of EPA's motor-vehicle program, and Michael Walsh, who succeeded him, contend that EPA has failed to carry out basic testing of vehicle emissions — an essential part of dealing with the nation's severe ozone and carbon monoxide nonattainment areas.

Stork and Walsh, now private consultants who disagree often, are in agreement on that point.

In a letter to a House Appropriations Subcommittee considering money for EPA, they called for a "substantial expansion" of real-world vehicle testing, especially since automakers are using more diverse control technology than they have in the past. Instead, they noted, the volume of cars tested has "decreased dramatically."

Between fiscal 1976 and fiscal 1982, EPA tested an average of 1,670 vehicles per year. In fiscal 1983, the number dropped to 469, followed by 349 the next year. The numbers for 1986 and 1987 were 242 and 333, respectively. However, in 1988, EPA plans to test only 175 vehicles.

Unlike tests made by EPA in its field surveillance program to ensure compliance during the emissions warranty period, those vehicles are not checked for proper maintenance but rather are a sample of real-world cars and their impact on air quality in local areas.

Stork and Walsh noted that the first phase of data in 1978, designated Mobile 1, was based on tests of 5,300 individual vehicles. Mobile 2 in 1981 added the result of 3,400 individual vehicles; Mobile 3 in 1984 added 2,500 more vehicles. But Mobile 4 — due to be released soon to guide states and localities in their plans to reach attainment by the end of August 1988 — will use test results from only 700 more vehicles.

Stork and Walsh argued that the data is needed by all parties — EPA, local planners, the auto industry and environmentalists. But, they added, EPA's fiscal 1989 budget as it stands will not enable the agency to provide by the early 1990s more reliable estimates of vehicle emission rates for air quality than are possible now.

They figured that restoring the data program to its 1976-1982 level would cost about $4.6 million per year (1,670 vehicles per year, each at $2,750 to procure and test).

They added that $4.6 million is about 60 cents for each new car sold in the United States each year compared with a much higher cost that might be added to each new car by even the most minor new emission standard.

While Stork and Walsh have made some difference, they have not succeeded in restoring their "modest proposal." On May 12, the House Appropriations Subcommittee voted $2.4 million for EPA's Mobile 4 program. That is expected to be retained by the full House Appropriations Committee and probably be part of the House bill. Senate action awaits completion of the House measure.

Camaro heads '86 theft list; Firebird 2nd

WASHINGTON — NHTSA has released its 1986 data on vehicle theft rates and is seeking public comment on the figures. General Motors accounted for eight of the top 10 vehicles, with Toyota's MR2 two-seat sports car in fifth place and Dodge's imported Conquest sport coupe in eighth.

GM's F-body Chevrolet Camaro and Pontiac Firebird finished 1-2, swapping positions from the 1985 standings. Of the 178,870 1986 Camaros built, 5,275 were stolen for a theft rate of more than 29 per 1,000 vehicles. Of the 100,210 Firebirds built, 2,789 were stolen for a theft rate of 27.8 vehicles per thousand.

Chevrolet Monte Carlo and Buick Regal were third and fourth, respectively, followed by the Toyota MR2, which had 485 thefts for the 34,084 sold in the United States. That amounted to a theft rate of just over 14 per thousand.

Rounding out the top 10, in order, were Pontiac Grand Prix, Oldsmobile Cutlass Supreme, Dodge Conquest (a Mitsubishi-built captive import), Pontiac Fiero and Chevrolet Corvette.

The car with the lowest theft rate in 1986, excluding those models with no thefts, was Toyota's Tercel, which logged 74 thefts out of 83,749 sold in the United States for a rate of 0.88 per thousand units.

Comments on NHTSA's theft data will be accepted through June 16.

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Mid-May auto sales dip 2% from year-ago

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Mid-May sales of cars built in the United States slipped 2.17 percent from the year-earlier period, although four of the eight domestic carmakers reported gains.

Car sales totaled 216,325 units during May 11-20, down 4,802 from the 221,127 that were sold in the same period a year earlier. The Big 3's cutback in incentives early in the month may have dampened mid-May sales.

Sales, however, were above the May 1-10 rate when 204,270 units were sold. During that period, all U.S. car manufacturers except Volkswagen of America reaped healthy gains.

During the May 11-20 sales period, Toyota sales increased 43.37 percent. The company delivered 1,805 cars in mid-May compared with 1,259 cars in the year-earlier period.

Honda delivered 8,046 cars, a 37.19 percent boost over last year's 5,865.

Ford Motor Co.'s deliveries edged up 2.63 percent to 66,691 compared with 64,984 last year.

Chrysler Motors' sales rose 3.08 percent to 30,348, compared with 29,440 units in the year-earlier period.

General Motors' sales dropped 6.45 percent to 104,330 from 111,519 cars in the mid-May period of 1987. GM sold more cars in the May 11-20 period than it did in the first 10 days of May when it delivered 102,152 units.

In spite of offering a spate of incentives, Nissan sold about half as many U.S.-built cars in the mid-May period as it did a year earlier. Nissan sold 2,829 units, compared with 5,946 in mid-May 1987.

Volkswagen of America's sales of U.S.-manufactured cars dropped 39.26 percent to 1,284, compared with 2,114 a year earlier.

Mazda, which began making cars here in September, sold 992 cars. That was almost double the number sold in the May 1-10 period.

DOMESTIC SALES

	May 11-20, 1988	May 11-20, 1987
Eagle	1,490	600
Chrysler	7,132	8,212
Plymouth	8,106	9,359
Dodge	13,620	11,269
Chrysler Motors	30,348	29,440
Ford	48,261	43,796
Mercury	13,308	15,162
Lincoln	5,122	6,026
Ford Motor Co.	66,691	64,984
Buick	13,415	13,673
Cadillac	7,155	9,304
Chevrolet	43,642	45,489
Oldsmobile	18,591	21,598
Pontiac	21,527	21,455
General Motors	104,330	111,519
Volkswagen	1,284	2,114
Honda	8,046	5,865
Nissan	2,829	5,946
Toyota	1,805	1,259
Mazda	992	—
U.S. Industry Total	216,325	221,127

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INCENTIVES

FROM PAGE 3

lac at a Cadillac dealership in order to qualify. The Allante owner must own the car 24 to 60 months, and it must have less than 60,000 miles on it when it is turned in.

Cadillac's direct-mail program offering between $750 and $1,500 on all Cadillac models, except Allante, to selected Cadillac and Lincoln Town Car owners ends May 31. Jay said the division needs a "fresher approach" than direct-mail coupons to appeal to owners and competitive-make owners.

"We found that in some cases people threw the coupon out," Jay said.

The division will not extend the coupon offer past May 31 and will decide on a new owner/competitive owner program June 1, Jay said.

Pontiac also announced several new consumer incentive programs. The division is offering qualified college students a a no-down-payment deal on all new Pontiacs. Under the program, Pontiac will pay the student's down payment of 5 percent of the cash selling price and defer the first month's payment for 90 days. The deferred payment offer is not applicable in the District of Columbia, Michigan, New Jersey and Pennsylvania.

Pontiac already is offering rebates of $600 to first-time buyers under GMAC's First Time Buyer Finance Plan. Cars eligible under the rebate program include 1988 Grand Am, LeMans, Firebird, Sunbird and Fiero models. No dealer financial participation is required.

Pontiac also is a participant in a program with Cadillac and Buick in which GMAC is sending direct-mail coupons to 350,000 members of the National Association of Realtors. The coupons will enable members to lease a 1987 or 1988 Grand Am, 6000 or Bonneville at a special 7.9 percentage rate for up to 48 months. Demonstrator models with 7,500 miles or less also are eligible.

The same program is applicable to Cadillac DeVille and Buick Century, Electra Park Avenue and LeSabre Limited.

The program began May 15 and ends Sept. 30.

In addition, Pontiac has teamed up with Buick and Cadillac to offer GMAC mortgage retail customers a $500 rebate for the purchase of any new 1988 or prior-year vehicle financed or leased through GMAC. The certificate is given to customers obtaining mortgages between May 15 and Sept. 30; they must take delivery before Dec. 31.

The $500 certificates in the mortgage program are in addition to any other incentive programs currently in effect.

Chevrolet's College Graduate Finance Plan allows eligible buyers to defer their initial payment for 90 days and take advantage of a $400 discount coupon.

The Chevrolet coupon can be used toward the purchase price and GMAC financing or toward the first monthly lease payment. The deferred payment plan is not offered in Michigan or Pennsylvania.

Ford Motor Co. and Chrysler Motors are offering dealer incentive programs on selected 1987 and 1988 vehicles.

Lincoln-Mercury Division extended its $750 dealer incentive on 1988 Lincoln Town cars, its $2,000 dealer incentive on 1988 Merkur XR4Ti models and its $3,000 dealer incentive on 1986 and 1987 XR4Ti models.

Chrysler Motors is offering dealer incentives on a few 1987 cars and trucks. The program began May 11 and has no set expiration date.

Dealers can receive $1,000 on the 1987 LeBaron coupe, $750 on the LeBaron GTS, $500 on the 1987 Dodge Daytona; $750 on the 1987 Dodge Lancer and $500 on both the 1987 Dodge Dakota and 1987 Dodge full-sized pickup trucks.

The Isuzu program, which runs through Sept. 5, gives dealers $1,500 for every 1987 and 1988 I-Mark five-speed hatchback sold. On other I-Mark models, dealers receive $600 for each model sold up to 10 units, $800 each for 11-20 units and $1,000 each for the 21st car and beyond.

For each Turbo Impulse sold, the dealer receives a $1,000 rebate, while each non-turbo Impulse sale will earn the dealer $1,500.

In California, Isuzu is offering an additional $500 bonus on non-turbo Impulses in what it calls a consumer/dealer rebate program to bring the total payback per model to $2,000.

According to an Isuzu spokesperson, the $2,000 rebate will be paid to the consumer unless he or she signs it over to the dealer. The spokesperson said the dealer must present "absolute proof" of the sign-over to receive the rebate.

Nationally under the program, combined pickup and P'UP pickup sales will earn dealers $500 each for the first 12 units sold; $700 each for 13-26 units; $900 each for 27-52; and $1,100 each for 53 and above.

Also, the top 200 dealers in Trooper II sales earn a special shopping spree trip to Trump Tower in New York City.

Dealers are required to sell a minimum of 40 Troopers to qualify for the shopping bonus. Each Trooper II sold during the program earns the dealer $100 credit toward the shopping spree, retroactive to the first unit. Air and hotel arrangements are included.

Also, under the incentive program, each salesperson selling a minimum of 10 units qualifies for attendance at a cash-giveaway party to be held Oct. 15 at Bally's in Las Vegas, Nev. The salespersons must pay their own expenses to get to the party. However, salespersons selling 50 units earn a free trip to the party.

Sales managers who have three or more salespersons qualifying for the cash-giveaway party earn a free trip to the Las Vegas event. The managers also earn one pull at cash boards for every four units sold by the dealership during the program.

Sales managers from the top 10 volume dealerships for each model line as well as combined sales will be entered in five $10,000 drawings, Isuzu said.

Automotive News Staff Reporter Frank Gawronski in Los Angeles contributed to this report.

OUTPUT

FROM PAGE 1

that Ford recently raised its full-year sales estimate for the industry from 10 million cars and 5 million trucks to 10.2 million cars and 5.1 million trucks.

"This is an indication that the auto industry is and will be stronger than originally anticipated," Windecker said.

Among the Big 3, GM has scheduled a major production increase; Ford's boost is smaller, and Chrysler's forecast is down because of plant changes.

GM projects it will build 721,965 cars in the July-September period, 15.52 percent more than last year's 624,985. In 1987, there was extended downtime at two GM plants for changeover to the new GM10 cars.

GM closed plants for inventory adjustment several times during last year's third quarter and also reduced line rates.

This year, GM recently increased the line rates at its Orion Township, Mich., plant and at its Buick City plant in Flint, Mich. Some plants have been working overtime this year; overtime was almost unheard of at GM plants last year.

Jouppi said GM is fighting to recover lost share of the market, and he believes it will build just about what it is currently projecting for the third quarter.

However, Tom O'Grady, analyst at Integrated Automotive Resources, said he believes GM's schedule may be a bit high but he doesn't see it as a problem. O'Grady added that the domestic automakers' schedules often seem to be overly optimistic but the current schedules seem to be more reasonable.

Both GM and Ford will be eyeing the midsized-car segments where sales seem to be stronger than usual, O'Grady said.

Ford plans to build 362,000 cars in the third quarter, 4.55 percent more than the 346,252 built in 1987.

Ford is currently at "full workable capacity" and has not had any car or truck plants idle for inventory adjustment for several years, Windecker said.

"Dealers would like to have more cars," he said. "Dealer inventories on the Taurus, Sable, Mustang, Probe, Grand Marquis, Continental and Crown Victoria at mid-May were all below the industry norm of 60-65 days, some well below that."

Chrysler's schedule calls for production of 200,000 cars in the third quarter, 6.61 percent below the 214,164 built in the same three months of 1987.

O'Grady thinks Chrysler will increase its current schedule, which he called a bit conservative.

Production losses for Omni and Horizon are a factor in third-quarter numbers for both 1987 and 1988. Last year, those cars were out of production in July and August as production was moved from Belvidere, Ill., to Kenosha, Wis. This year, the cars will be moved from Kenosha to Detroit's Jefferson Avenue plant, again knocking out July-August production.

Also, Chrysler's Newark, Del., plant will close in July to prepare for production of the 1989 Plymouth Acclaim and Dodge Spirit. The plant currently builds Aries and Reliant.

Mazda Motor Manufacturing (U.S.A.) Corp. will add some 50,000 cars to 1988's third-quarter output. It plans to build 50,260 units this year. Last year Mazda was just getting started at its Flat Rock, Mich., plant and built only 400 cars in the quarter.

Honda of America Manufacturing has slated assembly of 89,640 cars, 23.10 percent more than the 72,816 built in the third quarter of 1987.

Nissan Motor Manufacturing Co. U.S.A. has scheduled 30,928 cars, 4.87 percent more than the 29,491 built during the third quarter last year.

New United Motor Manufacturing Inc. plans to complete 38,350 cars in the third quarter, 19.70 percent below the 47,759 built in the year-ago period.

VWoA, which will permanently close its Westmoreland, Pa., plant in mid-July, estimates it will build 3,493 cars, 12.50 percent below the 3,992 assembled last year when the plant was idle most of the third quarter for model changeover.

MITI denies reports that quotas may die

TOKYO — In what is viewed as a trial balloon, Kyodo, a Japanese news agency, reported last week that the Ministry of International Trade and Industry is considering ending government-imposed quotas on passenger-car exports to the United States.

However, MITI officials quickly denied the reports and said that no decision has been made on the future of the restraint program.

It is no secret that MITI would like to scrap the quotas by the end of the year and would do so if it could be done quietly, sources here say. In fact, MITI said as much when it announced the extension of the restraints into their eighth year last January. MITI said that if a downward trend in exports could be clearly shown, it might lift the restraints before the year is up.

However, the timing of this most recent report, coming just as President Reagan vetoed trade legislation in the United States, would ensure that the scrapping of quotas would be anything but quiet.

Katsuhiro Nakagawa, director of the Auto Division at MITI, told Automotive News that the report is "completely false." He confirmed that MITI did indicate in its January announcement that it might drop the voluntary export restraints within the year "if the right conditions were met." But he said the 1988 quota term began April 1 and "it is way too early" to make any further decisions.

Smaller U.S. importers, such as Mitsubishi Motor Sales, American Isuzu, Suzuki and Daihatsu, which have been hamstrung by the quotas, would welcome the end of the restraints, and many have contingency plans based on such an occurrence.

Meanwhile in Washington, Secretary of Commerce William Verity met with General Motors Chairman Roger Smith, Chrysler Motors President Bennett Bidwell and Ford Motor Co. Vice Chairman Harold Poling last week to discuss allegations that Japanese automakers are dumping compact pickup trucks in the United States.

Thomas H. Hanna, president of the Motor Vehicle Manufacturers Association, also attended the meeting.

Spokesmen for the Big 3 described the meeting as useful. Verity had no comment following the meeting.

On March 29, MVMA submitted a study charging Japanese manufacturers with selling light trucks at prices as low as 46 percent below their home market price.

Hanna said last week, "Japanese manufacturers engaged in dumping for one reason — to maintain as large a share of the U.S. market as possible. With the steep rise in the value of the yen, Japanese truck manufacturers found they could no longer compete legitimately in the U.S. market. Faced with the choice of surrendering U.S. sales gains or dumping, they dumped."

Hanna said dumping has reduced profits on U.S.-produced compact trucks to less than 1 percent.

Isuzu spoofs Toyota

Smilin' Joe eyes 'Oh, what a feeling' ad

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — American Isuzu Motors' advertising alter ego Joe Isuzu is on trial in the latest round of television commercials using the shameless liar.

The new test for Joe Isuzu, whom actor David Leisure has turned into a cult figure, is whether the character can *sell* as well as he has raised Isuzu's brand name awareness.

If the hard-sell commercial spoofing Toyota Corolla's higher price works well, Joe Isuzu concepts for the 1989 model year are being considered.

The campaign created by agency Della Femina, Travisano and Partners, Los Angeles, has concentrated on boosting Isuzu's abysmally low name recognition and brand awareness. Isuzu's internal research shows unaided recall of Isuzu as an auto company has soared from 3 to 4 percent to 62 percent in the last two years, according to Leon Rosen, national marketing services manager.

Rosen said ad industry critics of the Joe Isuzu campaign — and there have been many of them — miss the point when they say it doesn't translate into sales. As the market gets more competitive, Isuzu can't get onto many buyers' shopping lists if no one remembers it, Rosen said.

But now that Isuzu is much more of a household word, American Isuzu must heed its dealers' call for more retail-oriented advertising.

In the latest commercial, Joe pulls into a Toyota dealership in an I-Mark, tests his hidden recording equipment and gets out. He is greeted by a salesman who recognizes him, "Hey guys, it's Joe Isuzu," and a crowd of Toyota salesmen gathers.

"So what's the real difference between your Corolla and our I-Mark?" asks Joe innocently. "About a thousand dollars," answers a salesmen and the rest chorus "Oh, what a feeling," and jump into the air in a parody of the long-running Toyota commercials.

Finally one salesman asks suspiciously, "Say, you're not going to turn this into a commercial, are you?" Joe flashes his best "liar" smile of reassurance and the screen cuts to a price comparison of similarly equipped Corollas and I-Marks.

"It's real down-and-dirty retail advertising," said Rosen.

OBITUARIES

James E. Butke

WARREN, Mich. — James E. Butke, 37, supervisor of the management information systems office for Chrysler Corp., died May 21.

James F. Miller

PINE BROOK, N.J. — James F. Miller, 48, information systems manager for Peugeot Motors of America, died May 17. He had been with the company since 1975.

PRODUCTION

Output tops 3 million but trails 1987

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. automakers built their three-millionth car of the year last Friday, nine days behind 1987.

So far this year, 3,000,491 cars have been produced, 8.09 percent below the 3,264,474 completed last year at this point.

Scheduled production of 161,595 cars last week was 5.77 percent below the previous week's 171,493 but 21.87 percent more than the year-ago week's 132,594, which was affected by Memorial Day.

Last week's targeted production was shared as follows: General Motors, 47.33 percent; Ford Motor Co., 25.54 percent; Chrysler Motors, 16.21 percent; Honda of America Manufacturing Inc., 4.64 percent; New United Motor Manufacturing Inc., 2.01 percent; Nissan Motor Manufacturing Co. U.S.A., 1.62 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 1.41 percent; and Volkswagen of America, 1.24 percent.

Truck output was estimated at 84,891 units last week, 7.98 percent below the prior week's 92,256 but 29.38 percent more than the year-ago week's 65,616.

Year-to-date, 1,778,410 trucks have been assembled, 12.11 percent more than the 1,586,337 built last year at this time.

Daily overtime is slated at all Ford plants this week except the St. Louis plant.

Ford has scheduled overtime next Saturday at its Wixom, Mich.; Edison, N.J.; and Wayne, Mich., plants.

Chrysler has scheduled daily overtime this week at its Belvidere, Ill.; Kenosha, Wis.; Toledo, Ohio; Sterling Heights, Mich.; and St. Louis plants.

All car and truck plants are closed today in observance of Memorial Day.

Canada trucks pass 400,000

Canadian truck production passed 400,000 last Friday, 15 days ahead of 1987.

So far this year, 400,095 trucks have been built, 16.18 percent more than the 344,369 completed last year at this time.

Both car and truck production in Canada was slated to dip last week from the prior week's output as plants were idle last Monday for Victoria Day.

Truck output was scheduled at 16,745 units last week, 2.80 percent below the previous week's 17,228 and 6.59 percent below the year-ago week's 17,926.

Car output was scheduled at 22,134, 9.70 percent below the previous week's 24,511 but 29.17 percent more than the year-ago week's 17,135, which was also affected by the holiday.

So far this year, 492,402 cars have been assembled, 41.41 percent more than the 348,217 completed last year at this point.

Honda of Canada Manufacturing Inc. last week began breaking out production totals on the Civic and Accord models built at its Alliston, Ontario, plant. Until April, the Accord was the only model produced at Alliston.

U.S. CAR	Week Ended May 28, 1988	Week Ended May 30, 1987	Week Ended May 21, 1988	May to Date	Jan. 1 to May 28, 1988	Jan. 1 to May 30, 1987
Alliance	0	653	0	0	0	14,847
Total Eagle	0	653	0	0	0	14,847
Horizon	2,100	0	2,552	8,992	39,977	32,997
Sundance	2,000	1,807	1,906	7,380	43,903	45,411
Reliant	2,900	1,787	2,879	11,139	43,346	51,417
Caravelle	500	912	574	2,089	8,999	23,968
Gran Fury	300	276	361	1,269	5,441	1,634
Total Plymouth	7,800	4,784	8,272	30,849	141,666	155,427
LeBaron K	400	1,318	425	1,721	7,964	36,352
LeBaron J	2,200	2,823	2,716	9,212	30,540	49,975
LeBaron GTS	250	839	246	855	3,765	18,400
N. Yorker E-Class	0	1,284	0	0	0	36,967
N. Yorker C-Class	2,900	0	2,842	11,485	49,887	0
Fifth Avenue	300	1,435	332	1,272	13,835	16,610
Total Chrysler	6,050	7,699	6,561	24,525	104,291	158,304
Omni	2,100	0	2,534	8,924	39,854	28,363
Daytona	2,200	1,408	2,714	9,214	29,679	23,577
Shadow	2,400	2,243	2,357	9,426	46,208	44,893
Aries	2,300	2,043	2,280	9,457	36,451	48,751
Dodge 600	500	823	474	1,886	7,986	21,224
Dynasty	2,300	0	2,239	9,245	46,976	0
Lancer	150	538	136	666	4,514	11,669
Diplomat	400	330	536	1,950	9,904	2,619
Total Dodge	12,350	7,385	13,270	50,771	221,572	181,096
CHRYSLER MOTORS	26,200	20,527	28,103	106,145	467,529	509,674
Escort	9,566	7,108	10,948	39,346	156,334	157,350
Mustang	4,240	3,544	4,224	16,772	89,856	92,423
Tempo	3,974	3,823	3,990	16,127	84,607	82,803
Taurus	8,410	6,381	8,779	34,709	170,098	186,742
Thunderbird	3,558	3,339	3,546	13,493	67,913	69,686
Total Ford Div.	29,748	24,195	31,487	120,447	568,808	589,004
Lynx	0	209	0	0	0	19,107
Topaz	1,526	1,474	1,512	5,932	31,494	26,810
Cougar	2,349	2,204	2,373	10,112	51,160	68,602
Sable	3,421	2,037	3,551	13,987	59,877	59,056
Total Mercury	7,296	5,924	7,436	30,031	142,531	173,575
Continental	937	315	1,104	4,117	19,363	7,843
Mark VII	473	490	550	2,043	10,774	11,728
Lincoln	2,822	2,426	3,304	12,318	62,278	58,714
Total Lincoln	4,232	3,231	4,958	18,478	92,415	78,285
Total L-M Division	11,528	9,155	12,394	48,509	234,946	251,860
FORD MOTOR CO.	41,276	33,350	43,881	168,956	803,754	840,864
Skyhawk	0	234	0	0	11,360	14,257
Skylark/Somerset	1,779	948	1,826	7,248	19,288	31,920
Century	3,702	2,948	3,344	13,436	43,495	80,138
Regal (rwd)	0	1,044	0	0	0	18,419
Riviera	128	171	154	556	2,921	7,280
Electra	2,097	1,873	2,532	9,531	36,177	43,905
LeSabre (fwd)	2,500	3,625	2,500	10,000	54,186	51,601
LeSabre (rwd)	260	50	330	1,140	4,179	4,904
Reatta	196	0	174	716	2,334	0
Total Buick	10,662	10,893	10,860	42,634	173,911	253,424
Cimmaron	0	130	0	170	3,695	6,651
Eldorado	1,006	415	1,219	4,396	17,799	7,860
Seville	601	371	718	2,610	11,150	10,334
Brougham (rwd)*	977	887	977	3,908	15,825	33,896
Deville (fwd)	3,540	2,122	3,511	14,148	77,651	70,045
Allante	65	103	0	169	1,034	1,528
Total Cadillac	6,189	4,028	6,425	25,401	127,155	130,314
Cavalier	7,286	7,174	8,690	32,016	147,604	156,717
Camaro	2,570	2,158	2,349	9,864	35,994	44,957
Celebrity	4,902	6,120	5,139	20,232	75,004	159,985
Corsica/Beretta	8,562	8,369	9,281	36,403	171,697	114,951
Monte Carlo	0	1,212	0	0	0	32,848
Caprice	3,960	1,431	4,534	16,720	82,264	90,040
Corvette	445	518	446	1,789	9,041	12,845
Total Chevrolet	27,725	26,977	30,433	117,014	521,604	612,343
Calais	3,021	3,031	2,980	11,959	48,625	53,309
Firenza	0	289	0	0	5,220	3,963
Cutlass Ciera	937	2,531	674	1,882	1,882	76,066
Cutlass Supreme	4,200	866	4,207	16,810	86,891	30,466
Toronado	405	361	481	1,767	7,863	7,714
88 (fwd)	3,419	3,309	3,994	15,428	71,000	85,757
88 (rwd)	212	343	276	984	5,451	8,111
Olds 98	1,592	781	1,609	6,414	35,565	32,064
Total Oldsmobile	13,786	11,491	14,201	55,244	264,487	301,048
Sunbird	2,274	1,997	2,483	9,651	45,629	49,564
Grand Am	5,280	4,178	6,262	23,147	103,962	109,091
Firebird	1,630	1,529	1,582	6,341	26,632	34,264
Grand Prix	3,557	0	3,418	14,373	50,950	0
Pontiac 6000	1,927	1,751	1,896	7,537	33,417	36,061
Bonneville	2,728	2,500	3,283	12,377	47,133	59,351
Safari/Parisienne	235	0	261	962	3,786	4,848
Fiero	486	949	487	1,980	8,685	15,089
Total Pontiac	18,119	12,904	19,672	76,368	320,194	308,268
GENERAL MOTORS	76,481	66,293	81,591	316,661	1,407,351	1,605,397
HONDA	7,500	5,176	7,314	30,126	155,169	137,814
Civic	2,400	2,413	2,240	8,806	40,899	44,542
Accord	5,100	2,763	5,074	21,320	114,270	93,272
MAZDA†	2,278	0	2,654	9,523	34,946	0
NISSAN	2,610	2,404	2,671	10,475	40,624	58,857
NUMMI	3,210	3,243	3,344	13,246	67,606	80,382
Corolla	1,210	896	1,209	4,829	24,863	16,444
Nova	2,060	2,545	2,135	8,417	42,743	63,938
VOLKSWAGEN	2,000	1,801	1,935	6,228	23,512	31,466
Golf/GTI	2,000	1,400	1,935	6,228	17,959	26,338
Jetta	0	201	0	0	5,553	5,150
Total Cars, U.S.	161,595	132,594	171,493	661,360	3,000,491	3,264,474
Total Cars, Canada	22,134	17,135	24,511	100,697	492,402	348,217
U.S., Canada Cars	183,729	149,729	196,004	762,057	3,492,893	3,612,691
U.S., Canada Cars and Trucks	285,385	233,271	305,468	1,189,070	5,671,303	5,543,397

Weekly estimates may contain error of one or two units due to rounding.
*—Estimate. †—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended May 28, 1988	Week Ended May 30, 1987	Week Ended May 21, 1988	May to Date	Jan. 1 to May 28, 1988	Jan. 1 to May 30, 1987
Eagle	0	—	0	0	0	—
Premier	1,320	—	1,650	6,354	30,571	—
CHRYSLER MOTORS	1,320	106	1,650	6,354	30,571	2,650
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,351	—	4,215	15,910	86,042	—
Topaz	939	—	1,201	4,931	28,943	—
Crown Victoria	2,261	—	2,789	10,781	58,368	—
Grand Marquis	2,299	—	2,851	10,911	57,966	—
FORD MOTOR CO.	8,850	11,001	11,056	42,533	231,319	224,706
Celebrity	565	—	804	2,728	8,739	—
Cutlass Ciera	6,155	—	6,211	26,711	113,554	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	1,260	—	1,014	5,120	22,126	—
Regal	3,040	—	2,780	13,254	69,067	—
GENERAL MOTORS	11,020	5,481	10,809	47,813	213,486	112,394
Civic	740	—	523	1,954	2,257	—
Accord	60	—	293	1,378	11,949	—
HONDA	800	322	816	3,332	14,206	4,057
VOLVO	144	225	180	665	2,820	4,410
Total Cars, Canada	22,134	17,135	24,511	100,697	492,402	348,217

U.S. TRUCK☆	Week Ended May 28, 1988	Week Ended May 30, 1987	Week Ended May 21, 1988	May to Date	Jan. 1 to May 28, 1988	Jan. 1 to May 30, 1987
Caravan	1,900	—	2,112	8,130	42,202	—
Dakota	2,200	—	2,229	8,489	50,044	—
Mini-Ram Van	300	—	374	1,334	6,620	—
Pickups	2,100	—	2,167	8,239	28,733	—
Total Dodge	6,500	5,454	6,882	26,192	127,599	108,271
Cherokee	3,800	—	4,357	16,255	76,119	—
Commanche	900	—	994	3,773	20,145	—
Grand Wagoneer	400	—	345	1,445	6,360	—
Pickups	0	—	0	0	0	—
Wagoneer	200	—	291	1,040	5,507	—
Total Jeep	5,300	3,336	5,967	22,513	113,331	91,273
Voyager	1,700	—	1,926	7,468	38,905	—
Total Plymouth	1,700	—	1,926	7,468	38,905	—
CHRYSLER MOTORS	13,500	8,792	14,795	56,173	279,835	199,544
Aerostar	4,500	—	4,517	17,810	93,751	—
Bronco	1,292	—	1,368	5,070	25,995	—
Bronco II	2,463	—	2,474	9,806	58,403	—
Econoline	5,162	—	5,183	20,643	105,695	—
Heavy trucks	1,381	—	1,703	6,056	28,951	—
Light trucks	10,432	—	11,658	44,024	217,628	—
Ranger	7,772	—	7,910	31,040	154,974	—
Total Ford Div.	33,002	26,364	34,750	134,451	685,395	640,409
FORD MOTOR CO.	33,002	26,364	34,750	134,451	685,395	640,409
Astro	3,176	—	3,649	13,480	72,450	—
Blazer	467	—	674	2,322	11,694	—
Mediums/Heavies	576	—	0	1,784	7,724	—
P-Model	798	—	197	3,150	16,398	—
Pickups	6,733	—	6,137	30,328	140,947	—
S-10	5,842	—	7,073	25,958	122,009	—
S-10 Blazer	3,562	—	2,493	15,799	68,948	—
Sportsvan/Van	1,862	—	2,301	8,632	35,561	—
Suburban	1,427	—	1,748	8,585	31,127	—
Total Chevrolet	24,563	18,453	28,736	108,019	506,859	470,002
Jimmy	187	—	175	712	3,821	—
Mediums/Heavies	559	—	0	2,003	17,149	—
P-Model	250	—	249	880	2,353	—
Pickups	1,947	—	2,479	8,178	44,027	—
S-15	1,283	—	1,408	4,883	26,539	—
S-15 Jimmy	1,268	—	1,014	4,208	18,453	—
Safari	772	—	932	3,366	18,617	—
Suburban	600	—	736	2,537	14,827	—
Vandura/Rally Vans	610	—	579	2,244	15,849	—
Total GMC	7,456	6,509	7,572	29,009	163,435	159,374
GENERAL MOTORS	32,019	24,962	36,308	137,027	670,294	629,376
NAVISTAR	1,950	1,328	1,954	7,530	37,213	31,686
NISSAN	1,670	1,420	1,699	6,683	48,473	35,122
AM GENERAL*	450	450	450	1,800	9,360	4,200
MISCELLANEOUS*	2,300	2,300	2,300	9,200	47,840	46,000
Total Trucks, U.S.	84,891	65,616	92,256	352,864	1,778,410	1,586,337

CANADIAN TRUCK	Week Ended May 28, 1988	Week Ended May 30, 1987	Week Ended May 21, 1988	May to Date	Jan. 1 to May 28, 1988	Jan. 1 to May 30, 1987
Caravan	2,620	—	2,598	11,382	62,582	—
Mini-Ram Van	275	—	292	1,256	6,066	—
Ram Wagon	432	—	571	2,097	10,339	—
Ram Van	1,208	—	1,493	5,687	26,513	—
Total Dodge	4,535	8,410	4,954	20,422	105,500	174,428
Voyager	2,225	—	2,347	10,087	57,418	—
Total Plymouth	2,225	—	2,347	10,087	57,418	—
Wrangler	806	—	1,018	3,798	21,224	—
Total Jeep	806	725	1,018	3,798	21,224	13,689
CHRYSLER MOTORS	7,566	9,135	8,319	34,307	184,142	188,117
FORD MTR. (lt. trks.)	2,886	3,418	3,676	13,774	74,288	66,228
Light trucks	3,047	—	1,973	11,742	65,288	—
Vans	1,215	—	1,018	4,906	25,449	—
Total Chevrolet	4,262	—	2,991	16,648	90,737	—
Light trucks	1,273	—	1,452	6,042	32,060	—
Vans	540	—	543	2,474	14,288	—
Total GMC	1,813	—	1,995	8,516	46,348	—
GENERAL MOTORS	6,075	5,157	4,986	25,164	137,085	86,000
NAVISTAR	216	216	247	904	4,580	4,024
Total Trks., Canada	16,745	17,926	17,228	74,149	400,095	344,369
U.S., Canada Trks.	101,636	83,542	109,484	427,013	2,178,505	1,930,706

—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Weekly estimates may contain error of one or two units due to rounding.

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Automotive News

June 6, 1988

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IACOCCA, BOOK II

Chrysler chairman says he considered plan to take over GM with Allied-Signal

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. Chairman Lee Iacocca last week disclosed that in 1987 he considered a hostile takeover of General Motors with Allied-Signal Chairman Edward Hennessy Jr. and that he overruled Chrysler's top management by ordering the acquisition of American Motors.

In "Talking Straight," a sequel to his autobiography, Iacocca said he abandoned a possible GM takeover because of antitrust and financing considerations for the $40 billion venture.

In the book, published last week, Iacocca also said that a majority of Chrysler's top management opposed the 1987 acquisition of AMC but were overruled by the chairman.

"I made a speech in which I said, 'You guys are getting too old to be in this business. You're getting soft and maybe a little fat in the head too,'" Iacocca wrote. "I heard everybody out and then I overruled them and told them that we were going ahead."

However, Iacocca also writes that his vision of creating a worldwide empire to rival GM has diminished.

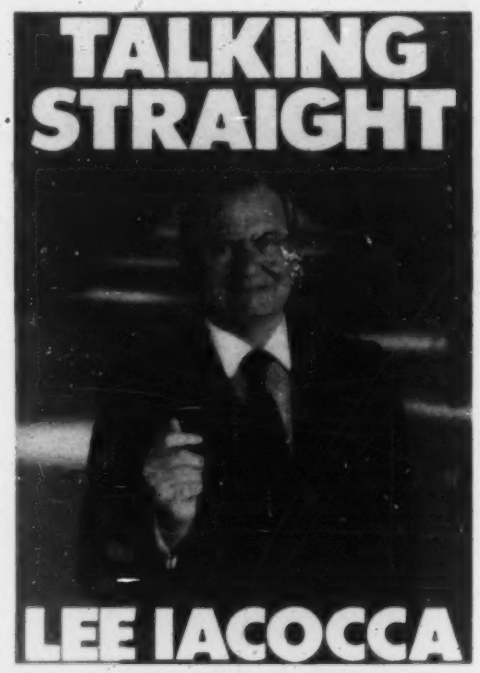
"My latest vision of Global Motors is smaller than it was a few years ago. I no longer have this burning desire to put together a company that would be bigger than General Motors," Iacocca said.

Nonetheless, he details a series of meetings last year during which he explored a possible hostile bid for GM.

Iacocca said a takeover was first raised in a meeting with megadealer Victor Potamkin, who holds both GM and Chrysler franchises.

"When I met with him, he told me that the GM dealers were on the war path and didn't think that the company had a game plan,

see BOOK, page 86



Presidents bullish for rest of '88

15 million sales expected for year

Confident that the ill effects of last October's stock market collapse have faded, officials of the U.S. Big 3 auto companies look for continued strong car and truck sales in 1988.

Their estimates of industry new-vehicle deliveries for the calendar year range from 15.0 million units to 15.5 million. That compares with 15.2 million sales in 1987.

The sales outlooks and other observations on their companies and the industry are highlighted in this week's Presidents Extra, a special Automotive News section featuring Robert C. Stempel, president, General Motors; Philip E. Benton Jr., president, Ford automotive group; Bennett E. Bidwell, president — product and marketing, Chrysler Motors; and Richard G. LeFauve, president, Saturn Corp.

Benton estimated new-car and truck sales in the United States this year will range between 15 million and 15.5 million units. He said, "I think 15.3 is the most popular figure now."

In assessing the continued strength of the market, particularly in light of last October's Wall Street collapse, Benton said, "We never did back off our 15 million forecast. ... We adopted a philosophy that Oct. 19 didn't necessarily change the psychology of the automotive marketplace.

"It changed wealth. But in terms of income, people hadn't baked that additional wealth — which had been accumulating in the very strong stock market for a couple of years — into their thinking."

Bidwell, noting that Chrysler has revised its industry sales forecast upward for the year, said, "Internally, we're looking today at a 10.1 million industry car level and fractionally over 5.0 million trucks. That would contrast with about 9.5 million and 4.5 million that we were looking at as we exited calendar 1987.

"That's a fairly healthy up. Included in that 10.1 million car level is a slight downward stair-step in the last half of the year toward rates of 9.8-9.6 million — but still a pretty healthy calendar year.

Stempel, who became president of GM a month before the stock market crash last fall, said, "I think we'll hold with our forecast (of 15.0 million units). It's about right when you look at the increase in domestics and the decline in imports; we think that's about a trade as far as the industry figure goes."

The GM president said, "The stock market had an impact on the people who deal in it and the peo-

see PRESIDENTS, page 46

Transplant wages, benefits are similar

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

With Mazda Manufacturing (USA) workers voting in March to join the UAW, the score stands even. Of the four Japanese transplant auto facilities building production vehicles in the United States, two are unionized and two are not.

How does the lot of auto workers in the unionized transplants — Mazda and New United Motor Manufacturing Inc. — compare to that of workers at Honda of America and Nissan Motor Manufacturing, which the UAW has failed to organize?

The answers to that question are tentative, largely because local unions that represent workers at Japanese transplant operations are unlike the unions in traditional plants.

It is not clear in what direction the fledgling transplant locals will evolve — toward more cooperation, or toward increasing resistance to the rigorous demands made by Japanese management on the auto worker.

Job security — the all-important concern for today's American auto worker — is basically the same at all the transplants, whose managements have committed themselves to a no-layoff policy. The difference is, NUMMI and Mazda workers have it in writing.

Though job security provisions aren't ironclad, so far, despite production cuts at NUMMI, no one has been laid off. There have been no layoffs at the other three transplants either.

Honda and Nissan have raised wages regularly, and workers there can reasonably expect that their wages will continue to increase. But again, workers at NUMMI and Mazda have guarantees of wage increases in writing.

The jury is still out, however, on whether work rules and working conditions are better in unionized transplants than at Honda and Nissan.

Reports indicate that local unions at NUMMI and Mazda, by focusing on non-adversarial relations, are not programmed to dig in and resist the ever-increasing demands made of transplant workers in the name of kaizen, or con-

see TRANSPLANT, page 84

Car-loan program for high-risk buyers draws dealer fire

By Edward Lapham
AUTOMOTIVE NEWS STAFF REPORTER

A new car-loan scheme for high-risk buyers seems to be making money for the California lenders who conceived it, but some dealers using one of these companies, International Dealer Financial Corp., claim they have not been paid for sold cars on approved contracts.

This latest retail financing system involves the purchase of marginally risky retail paper by investors who then charge the highest allowable annual percentage rates — frequently more than 21 percent — add unneeded, high-profit items to base vehicles and take the cash profit up front as a buffer against eventual defaults and delinquencies.

This packaging seems to have originated in California, where as many as a half dozen finance companies are now offering retail finance programs that purport to finance the otherwise unfinanecable car buyer.

Dealers are being enticed to pay as much as $9,800 up front to enroll in these programs by the promise of quick up-front profits on vehicles sold or leased to

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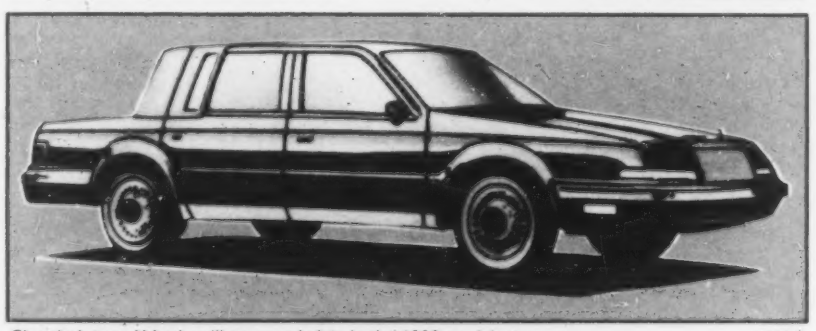

Chrysler's new Y-body will go on sale late in the 1989 model year LANCE

CHRYSLER '89: *New engines, Y-body flagship*

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Chrysler Motors will introduce several upgraded engines in the 1989 model year, including a more powerful V-6 imported from Mitsubishi that will be mounted in the Chrysler TC by Maserati and the new Y-body luxury sedans debuting late in the model year.

A Chrysler Motors engineering report previewing the 1989 passenger-car lineup indicates that the upgraded Mitsubishi V-6 will be available with Chrysler's first electronic four-speed automatic transaxle in several models.

They include the TC coupe, the Y-body Chrysler Fifth Avenue and Imperial, the Chrysler New Yorker and New Yorker Landau, Dodge Dynasty, Dodge Spirit, Ply-

see CHRYSLER, page 86

VW charts cost cut; $760 million is target — Page 2
Mazda to combine U.S. sales networks — Page 3
Strike spoils Hyundai Sonata launch — Page 6

8 EDS executives quit GM to join Perot in new firm

By Charles M. Thomas and Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTERS

Eight high-ranking executives with General Motors' Electronic Data Systems Corp. resigned last week to join their former leader, H. Ross Perot, in launching a computer software and service company whose first customer is the U.S. Postal Service.

Stephen McClellan, analyst with Merrill Lynch, said the impact on EDS and GM should be minimal unless more executives leave the company to join Perot.

"It does heighten the uncertainty if more people leave, and that could lead to management questions about the company," he said.

Six of the eight executives are from EDS' Government Systems Group in Bethesda, Md., where much of EDS' most recent non-automotive "megacontracts" have originated, he said.

Loss of strategic employees from non-automotive areas could pose a problem for EDS, which has said it wants to rely less on GM. Its automaker parent now accounts for 60 percent of EDS revenue. EDS hopes to reduce its GM business to less than 50 percent.

McLellan described the executives as "some very solid, impressive upper management."

"These are eight of the top 30 management people in the company," he said, adding that they were the company's "producers who are out on the firing line running the divisions."

He said the departures of John King, vice president and general manager of all EDS federal business, and Pat Horner, president of EDS's government marketing division, are the two biggest losses because of the megacontracts they brought to EDS.

"The potential threat now is that Perot is up and running," McClellan said.

Others leaving EDS are Don Drobny, president of EDS Communications Corp.; Bruce Heath, corporate vice president responsible for GM truck and bus group; Desoto Jordan, vice president — government affairs group; Ross Reeves, corporate vice president — information processing services division; Meryl Smith, vice president, administration and finance, government systems group; and Gary Wright, president — government technology division.

Perot: "Up and running" WILLIAM COUPON

GM's Class E stock took a drubbing in the market after the announcement Thursday, closing at $39.88 — $2.75 lower than on Wednesday.

However, Tim Traff, investment analyst with Milwaukee-based Sit Investment Associates, said the stock's weakness would be short-term.

Perot, who sold EDS to GM in 1984, became a member of the automaker's board of directors only to be ousted in a buyout two years later. He was restricted from forming a new company until Jan. 1 under terms of the buyout agreement with GM.

The agreement also forbade the Texas entrepreneur, who started EDS in the early 1960s, from recruiting EDS employees until June 1.

Perot sidestepped questions at a press conference on whether there would be an executive exodus from EDS, saying, "When people call, we don't hang up on them — we are very polite."

Perot said the departure of the eight executives will not cripple EDS's operations.

"EDS has not been beheaded," he said. "They don't even have a cut on their finger. EDS is so big and we are so small that I can't begin to tell the depth of talent they have in that company."

The new company, called Perot Systems Corp., will not compete with EDS, Perot said. It will be a nonprofit corporation because of restrictions in the buyout agreement. But in January 1989, he can form a profit-making company to compete with EDS.

EDS has $4.4 billion in revenues annually. By comparison, Perot said that he wants to have $100 million in net income for his company within 10 years.

When asked to explain why he felt he could make a difference at the Postal Service when he was unable to change the corporate culture at GM, he said: "You can't help people that don't want help. The Postal Service wants help."

Mazda to combine U.S. sales networks

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

IRVINE, Calif. — Mazda will reorganize its North American operations, perhaps as early as this month, to combine its U.S. sales arms, reduce duplicated effort and coordinate marketing activities.

The major part of the move will be the consolidation of the two sales networks, Mazda Motors of America (Central) and Mazda Motors of America (East), Jacksonville, Fla., into a single unit, expected to be based here, where Mazda Central and Mazda (North America) Inc. are already headquartered.

U.S. Mazda officials have been tight-lipped about reorganization for months, including those who have in the past openly advocated combining the sales arms, such as Rod Hayden, senior vice president and general manager of Mazda Central (Automotive News, July 27, 1987).

Both Hayden and James Trado, his counterpart at Mazda East, were traveling last week and were unavailable for comment.

But Kenichi Yamamoto, chairman of Mazda Motor Corp., the Japanese parent company, confirmed that a reorganization is under review during an informal conversation at the recent dedication of Mazda's new U.S. research and development center in Irvine.

"The issue of consolidation is a study item, but we have not reached a conclusion yet," Yamamoto said.

However, Yamamoto said Mazda is not considering combining U.S. manufacturing, sales and research and development functions under a single organization.

So far among Japanese automakers, only Honda has placed a single executive in charge of all U.S. operations. Other Japanese companies keep manufacturing, sales and r&d separate, and they usually report to different managers in Japan.

Insiders originally expected the sales consolidation to take place as early as April, but it has been held up by several factors. They include negotiations with the Japanese trading companies that are minority partners in the sales arms, selecting executives and the reluctance of personnel based in northern Florida to relocate to Orange County, Calif., where the median price of a single-family home exceeds $200,000.

One key position for a centralized Mazda sales organization was filled last week after a six-month search. Janet Thompson left Toyota Motor Sales, where she had been vice president of advertising for Lexus Division and considered a rising star, to join Mazda Central as vice president — advertising, a new post.

Combining the sales operations would ease the task of national advertising agency Foote Cone & Belding, Santa Ana, Calif., which has had to serve two masters.

Pending consolidation, key marketing decisions have been deferred, including the media plan for 1989-model-year advertising, which most other automakers completed by mid-April.

Consolidation also will help Mazda deal with increasing production at the Flat Rock, Mich., assembly plant, which produces cars for both Mazda and Ford Motor Co. With the increase in product availability, the number of Mazda dealers has risen to 812 from 703 earlier this year.

Mazda Central, which covers 31 Western and Central states, currently has 545 dealers. Mazda East, which includes 19 Eastern states (Hawaii is handled by independent distributor Shelly Motors), has 267 dealers.

The separate sales arms are a holdover from Mazda's financial difficulties in the mid-1970s, when reliance on the then-thirsty rotary engine and the first Arab oil embargo pushed Mazda to the edge of insolvency.

Two separate Japanese Shoji (trading companies) took minority equity positions in Mazda's U.S. sales firms. C. Itoh & Co. Ltd. is affiliated with Mazda Central, while Sumitomo Corp. owns part of Mazda East.

Mazda has been rapidly increasing its U.S. presence, which is reflected in improving sales and deepening ties to Ford Motor Co. Ford owns 25 percent of Mazda.

In addition to the Flat Rock assembly plant, Mazda also has opened a r&d center in Southern California and a separate r&d subsidiary in Ann Arbor, Mich.

MacGuidwin named Crain vice president

MacGuidwin

DETROIT — M. Reid MacGuidwin, Automotive News director of marketing, has been named a vice president of Crain Communications Inc., which publishes Automotive News and 25 other business and special-interest newspapers and magazines.

MacGuidwin, 62, joined Automotive News on Jan. 1, 1972, as an advertising sales representative for Michigan. Later that year, he was promoted to marketing manager and then to director of marketing with responsibility for advertising sales.

Before joining Crain, he was Detroit regional sales manager for Chilton's Automotive Industries magazine; a sales engineer and district manager for Cahners Publishing Co.'s Design News magazine and McGraw Hill's Chemical Week magazine.

Also promoted last week to Crain Communications vice president were Robert S. Simmons, publisher of Rubber and Plastics News, and William T. Bisson Jr., publisher of Pensions and Investment Age.

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3 Ford executives to address World Congress

DETROIT — Three Ford Motor Co. executives have joined the faculty of the 13th annual Automotive News World Congress, which will be held at the Westin Hotel, July 17-20.

They are: Joseph A. Kordick, vice president and general manager of Ford parts and service division, North American automotive operations; Michael Kranefuss, director of special vehicle operations; and Stephen R. Roberts, director of supply policy and planning.

Kordick joined the company in 1954 with the finance staff's general accounting department. After a number of managerial positions with Ford Division's parts and service office, and later with the executive office of the car and truck group, he was appointed supply and distribution manager for the former Ford parts division in 1971.

In 1973, Kordick was named service programs manager for the former Ford customer service division, and was promoted to parts and service programs manager of the newly combined Ford parts and service division in 1974.

In 1977, Kordick was named general manager of Ford glass division, and in 1981 became executive director of NAAO marketing.

From September 1983 to October 1984, he was chairman of Ford Direct Markets Inc., Ford international automotive operations. He became general manager of the Ford parts and service division in 1985 and was elected a corporate vice president in 1987.

Kranefuss, head of Ford special vehicle operations since 1980, broke into motorsports in 1966 as manager of the planned Sauerland Ring racing circuit project in the eastern part of North Rhine-Westphalia, Germany.

He drove professionally for six years in international road racing events.

In 1968, he joined Ford of Germany as assistant manager of a newly formed competitions department. In 1972, he was appointed the department's motorsport manager.

He was Ford of Europe's motorsport director from 1976 until assuming his present post.

As director of supply and policy planning for Ford Motor Co., Roberts is responsible for coordinating the policies and practices for worldwide purchasing and supply operations.

He also oversees Ford's relationship with supplier firms around the world.

Roberts joined Ford in 1964 as a purchasing coordinator in the purchasing management training program.

In 1984, following a number of purchasing supervisory and managerial assignments in North America and Europe, he was named procurement manager for NAAO, heading the buying of all chassis and electronic parts for Ford's North American vehicles.

He was named to his present post in 1985.

Roberts will address the World Congress on Monday, July 18, at 11:15 a.m. Kordick and Kranefuss will speak on Tuesday, July 19, at 9 a.m. and 2:50 p.m., respectively.

General Motors President Robert C. Stempel will open the World Congress with a State of the Industry keynote address on Sunday, July 17, at 7:45 p.m.

Co-keynoter Dieter Spethmann, chairman of the executive board of Thyssen AG of West Germany, will deliver the State of the Supplier Industry address at 8:30 p.m.

For further information, write Automotive News World Congress, 1400 Woodbridge, Detroit, MI 48207 or telephone 313-446-6047. The cable address is TWX 810-221-5122 AUTNEW DET.

Aftermarket first as solar cells seek auto role

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The aftermarket is providing one of the first opportunities for the auto industry to experiment with solar technology.

Solar cells may provide an opportunity for auto manufacturers to deal with the loads modern automotive electronics place on vehicle electrical systems. They may also provide an answer to the high interior heat generated under the ever-larger glass area in modern automobiles.

Although solar cells typically do not provide high power output, they can be used to slowly charge or maintain a battery in an idle car. They may also provide enough power to operate interior cooling fans in automobiles.

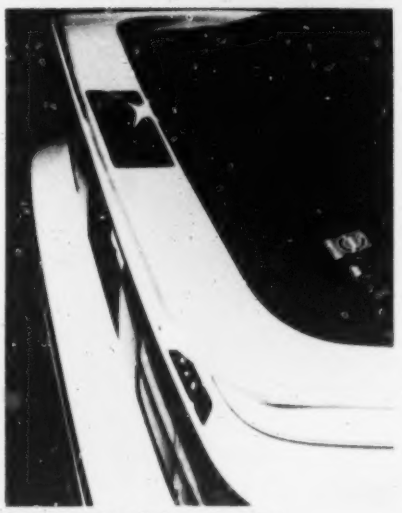
Daryl Sitar, a project engineer for Delco Remy Division of General Motors, said, "In my opinion, there is a good potential for automotive solar cells.

"The problem right now is the initial cost. But in the next year or so, you should see some type of applications for battery maintenance or trickle charging. If not for the primary battery, then for a secondary unit like a flashlight. . . . We at GM, as well as people at other companies, are looking at this technology, if not for original equipment, then for the aftermarket."

ARCO Solar, a manufacturer of solar cells, hopes to influence the automotive aftermarket and then original-equipment manufacturers to use its products. The firm, which is a subsidiary of Atlantic Richfield Co., has established an office in the Detroit area to work with auto companies and develop automotive products for its solar technology.

ARCO's photovoltaic products include a coating that generates electricity from sunlight and can be applied in a thin film to glass. Although not as efficient as certain other photovoltaic materials, it is less expensive.

Peter A. DeNapoli, ARCO Solar sales manager, specialty engineered products, said, "Our biggest projects are in the aftermarket. We want to get that in place so we can demonstrate to the original-equipment manufacturer that the technology is viable and salable. They know that the stuff works. Now they want to see if we can sell it. Is it priced right?"


Solar panel installed in rear spoiler

Solar cells are now being sold as aftermarket battery chargers or maintaining devices, DeNapoli said. Also in the prototype stage are applications that would use the sun's energy to cool the interior of a parked car.

"The car companies are looking at ways to increase the capacity of the battery so they can have on-line computer memories and electrical loads (when the engine is not running). They also want to downsize the battery to reduce weight," DeNapoli said.

Clocks, anti-theft devices and computer memories place electrical loads on car batteries that can deplete their power in as little as two weeks when a car sits idle, Sitar said.

Solar cells offer a solution to the problem of "parasitic" electrical loads, but the cost, efficiency and packaging of the panels must be improved somewhat to be viable in a production application, he indicated.

Solar panels that rest on the instrument panel of a car and are used to maintain the battery are available from ARCO and other companies. They generally range in price from $15 to $50.

Mini Tune in Petaluma, Calif., is another company that is developing an aftermarket application for solar cells. The company is developing a mobile battery cart that is recharged by a solar panel. The solar panel is said to allow more jump starts before the cart batteries must be recharged and also is said to extend the life of the batteries.

ARCO also has plans, working with outside companies, to design solar cell systems that fit into the design of an automobile.

"One of the problems with photovoltaics is determining where to put them. How do you integrate them into the car so that it looks nice?" DeNapoli said.

One solution, he said, has been to install a solar panel in a rear spoiler. He said that Pacific Auto Accessories of Huntington Beach, Calif., a large installer of aftermarket sunroofs and automotive appearance items, recently delivered more than 200 Oldsmobile Cutlass Calais models equipped with spoilers/ARCO solar panels to dealers in Oregon and Washington.

The Calais spoiler keeps the car battery charged when the car is parked and also charges a flashlight and portable radio. The package, which included other aerodynamic styling aids, was sponsored by the dealer advertising associations in Portland, Ore.; Eugene, Ore.; and Seattle dealer advertising associations, according to Pacific.

ARCO has also designed a prototype sunroof that is tinted with its photovoltaic material. The prototype sunroof is designed to operate a car's blower and cool the interior of the vehicle, especially when the car is parked on a warm, sunny day.

"Our goal is to have it ready for February 1989 with a limited production run for a vehicle with Pacific," DeNapoli said.

"We're developing a package that will tap into the existing blower in the car," he said.

The target price of the system is $500 installed, compared with about $200 for a standard tinted sunroof.

"Today's cars and tomorrow's cars have so much more glazing area that there is an incredible greenhouse effect," DeNapoli said.

"There is so much overheating in the vehicle that the material on the dash and the fabrics in the cars degrade more quickly because of the high temperatures when the car is parked. . . . Also, when the customer gets into a car with a solar sunroof, he won't be assaulted with a furnace."

However, an engineer at a Big 3 auto company was less enthusiastic about the use of photovoltaics to cool car interiors. The standard car blower fan typically requires 50 watts of power to operate on a low setting, while a four-square-foot photovoltaic sunroof will produce only about half that power, he noted.

The engineer said, "The auto companies are interested in photovoltaics, but the solar panel manufacturers have to be more flexible. They have to be more willing to work with the styling personnel from the start of a new project.

"If they could develop, for example, a $5 to $10 trickle charger that would be contoured to fit where no one sees it, it would be a much easier sell than a $500 item with limited use that would sell to the consumer for $1,000."

If the solar cell manufacturers were able to get a product into a mass-produced automobile, they might be able to reduce production costs, the engineer said. He estimated that most photovoltaic devices now sell for $4 to $5 per watt. If the price could be reduced to $1 per watt, the spin-off applications, both in automotive and other industries, would be tremendous, he said.

Shop business climbs 7% for first quarter

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts volume at new-car dealerships rose substantially during the first quarter of 1988.

Volume was 107.2 percent of service business in the year-earlier period, according to the Automotive News Service Index.

In February 1988, shop volume at new-car dealerships was 9.6 percent above the year-ago month.

Shop business during March was up 7.4 percent last year's.

March was the fifth straight month in which service business exceeded the year-earlier volume.

A Rocky Mountain state Chevrolet dealer said, "We had a good February, which can be attributed to weather conditions. We also placed more emphasis on increased sales per repair order."

In March, he said, sales climbed above the March 1987 level, while repair orders remained even.

An Eastern Chevrolet dealer said new-car financing and rebate programs have increased his customer base. As a result, service business rose in February and March.

A Midwestern Ford dealer attributed his store's strong February and March showing to increased advertising and staffing.

An Eastern Ford dealer said additional repair orders and increased productivity paid off.

SERVICE INDEX 109.6*

	Feb., '88 vs. Feb., '87	2 mos., '88 vs. 2 mos., '87
Gross Profit on All Labor and P&A Sales	+9.4%	+9.3%
Repair Orders Written	+6.6%	+2.9%
Total Labor Sales (Customer & Warranty)	+13.2%	+7.6%
Shop Parts Sales (Customer & Warranty)	+9.9%	+7.8%
Sales of All P&A	+9.0%	+7.3%

* Survey by Automotive News shows that dealers' service and parts business in February 1988 was 109.6 percent of business in February 1987. Service business in the first 2 months of 1988 was 107.8 percent of business in the corresponding period in 1987.

SERVICE INDEX 107.4*

	March, '88 vs. March, '87	3 mos., '88 vs. 3 mos., '87
Gross Profit on All Labor and P&A Sales	+8.7%	+8.4%
Repair Orders Written	+4.1%	+3.3%
Total Labor Sales (Customer & Warranty)	+13.0%	+9.2%
Shop Parts Sales (Customer & Warranty)	+11.3%	+9.2%
Sales of All P&A	+11.8%	+8.8%

* Survey by Automotive News shows that dealers' service and parts business in March 1988 was 107.4 percent of business in March 1987. Service business in the first 3 months of 1988 was 107.2 percent of business in the corresponding period in 1987.

A West Coast Cadillac dealer said his body shop business improved in February, while parts volume was up in March.

All service volume indicators during February and March were positive.

Total labor sales (customer-paid and warranty) led the list in February, up 13.2 percent over February 1987. In March, sales of all parts and accessories were the top indicator, with a gain of 11.8 percent.

Shop parts sales (customer-paid and warranty) climbed 9.9 percent above the year-earlier-month in February and were up 11.3 percent in March; gross profit on all labor, parts and accessories rose 9.4 percent in February and 6.7 percent in March; parts and accessories sales increased 9.0 percent in February and 11.8 percent in March; total labor sales climbed improved 13.2 percent in February and 3 percent in March; and; repair orders written were up 6.6 percent in February and 4.1 percent in March.

Parts and accessories sales to off-premises customers were up 8.4 percent in February, compared with the year-earlier month. In March, those sales climbed 12.1 percent.

Shop parts sales led service volume indicators during the first quarter of 1988, up 9.2 percent over the year-earlier period.

Parts and accessories sales climbed 8.8 percent in the first quarter; gross profit on all labor, parts and accessories rose 8.4 percent; total labor sales were up 6.2 percent; and repair orders written increased 3.3 percent.

Parts and accessories sales to off-premises customers climbed 8.7 percent in the first quarter of 1988.

Don't let Rolls sit idle

Seldom-driven cars may need service

By Julie Whitmore
SPECIAL CORRESPONDENT

NORTHBROOK, Ill. — When Rolls-Royce and Bentley automobiles break, it is often because they are not driven enough.

Routine service needs are often overlooked because the ultra-expensive luxury cars are generally driven very little, Finlay Macdonald, Midwest zone service manager for Rolls-Royce, said at a service clinic at Steve Foley Cadillac/Rolls-Royce here.

About 40 of the 600 Rolls and Bentley owners in the Chicago area took advantage of Rolls-Royce Motor Cars' offer to have a technician from U.S. headquarters in Lyndhurst, N.J., evaluate the condition of their cars.

Rolls-Royce conducts the clinics every year or two at various dealerships around the country.

It's not unusual to find a 1980 model with less than 2,000 miles on the odometer, Macdonald said. In fact, one of the cars brought to the clinic was a 1963 Rolls with only 30,000 miles.

"Some malfunctions are due to maintenance neglect and others to real wear. There are no generalizations," Macdonald said.

The cars are durable. Eighty-five percent of all the Rolls-Royce and Bentley cars manufactured since the company started production in 1904 are still on the road, according to W.G. McClendon, Midwest zone sales and service manager.

"On these cars, unlike Cadillacs, there is no such thing as an acceptable tolerance. Everything fits perfectly," said Tom Nutting, one of Steve Foley's certified Rolls mechanics.

Nutting worked on Cadillacs for 17 years at Foley before being selected for special Rolls training. The minimum training period is four days each year, with special updates for new models.

While wages are set by individual dealers, Rolls mechanics are always provided some differential so they can spend more time on each car, Macdonald said.

"We like our mechanics to take their time," he said.

Dealers also try to have the same mechanic work on a car each time it is serviced.

Quality control is what Nutting appreciates most about working on the luxury cars, which start at $99,500. For that amount, Rolls and Bentley customers expect, and receive, high levels of personal service.

For example, while every dealer is required to carry a full parts inventory, the company has a special arrangement with Federal Express in the event that a needed part is not available.

Overnight service from the main warehouse in Lyndhurst, N.J., is provided at no extra cost as is second-day air service from the manufacturer in Crewe, Chesire, England.